



Prepared in accordance with the requirements of §63M-1-1206 (6) of the Utah Venture Capital Enhancement Act

Portfolio Performance

- **0.1% net internal rate of return** including financing and administrative costs since fund inception
- **14.4% net internal rate of return** including financing and administrative costs for the reporting period
- **\$43.1 m net realized gain** since fund inception
- **\$37.6 m net unrealized gain** since fund inception
- **No new investment commitments** will be made under the current financing structure

Administrative Costs

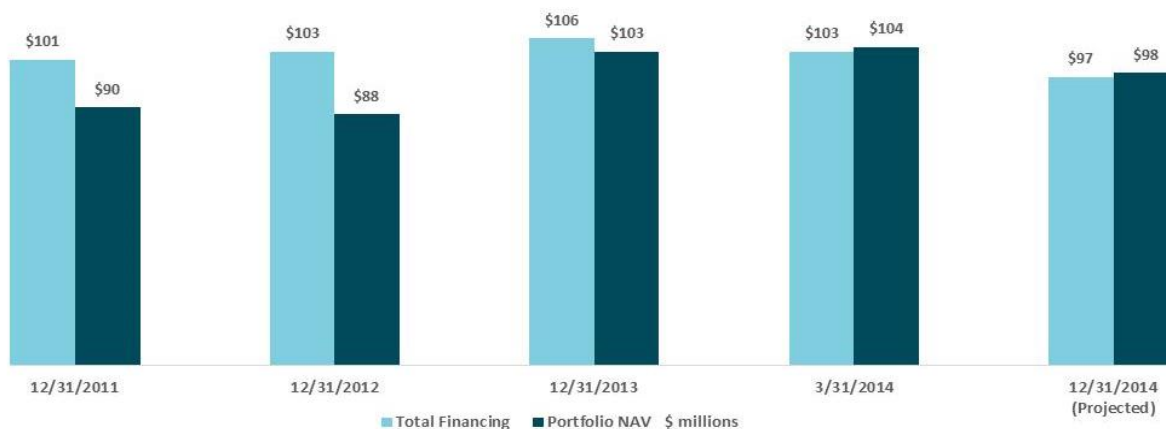
- **\$870 k** for the full year ending 12/31/2013 including:
 - a) \$427 k in total compensation paid to three full time employees and one part time employee
 - b) \$250 k investment allocation manager
 - c) \$178 k other (economic development, office, legal)
 - d) \$15 k business travel expenses

Utah Economic Development

- **73 Utah companies** received investment capital from *Utah Capital portfolio funds* since fund inception
- **4,069 new Utah jobs** added by *Utah companies* since fund inception
- **\$785 m** invested in *Utah companies* by *Utah Capital portfolio funds* since fund inception
- **\$16 m** invested by Utah Capital in *Utah companies*
- **\$2 m** deployed in seed capital via USBGI
- **89 consulting sessions** during reporting period
- **32 funding introductions** made during reporting period
- **60 community events** supported during reporting period

Financing Costs

- **\$3.9 m** for the full year ended 12/31/2013
- **Decrease of \$3 m** over 2012



The combination of increased investment performance and a decline in financing costs due to the 2012 refinancing have allowed the fund to reduce current tax credit exposure to \$0. Although it is possible that tax credits may be used in the future, assuming steady investment performance and distributions, it is unlikely that the fund will require any tax credit redemptions over the next 5 years. The fund has received typical investment distributions over the reporting period sufficient to allow the fund to pay-down its financing obligations. Current financing matures in 2017. Management continues to evaluate low cost sources of financing to finance the program through completion. Consistent with legislation, Utah Capital will finance all new funds with equity capital.

Sources: Utah Capital analysis, LP Capital Advisors (fund allocation manager) analysis. Job figures are received directly from Utah Capital portfolio funds.

Community Event: a Utah-based event focused on entrepreneurship and/or improving small business access to investment capital.

Consulting Sessions: meetings between Utah Capital staff and a Utah Company seeking investment capital.

Financing Costs: interest, dividends, and fees paid to investors.

Funding Introductions: introduction made by Utah Capital between a Utah Company and a source of investment capital.

Investment Commitment: commitment by UCIC to invest in a portfolio fund.

Investment Distributions: cash returns received from investments.

NAV: net asset value of the remaining investment portfolio.

Net Internal Rate of Return: the annualized rate of return calculated using dates of cash outflows (investments, operating costs), cash inflows (investment distributions), and net asset value.

Net Realized Gains: cash investment returns received above investment cost net of losses.

Net Unrealized Gains: investment valuations above investment cost net of losses.

New Utah Jobs: current number of Utah employees at a company that has received investment capital from a UCIC portfolio fund less number of employees at time of original investment by UCIC portfolio fund.

Reporting Period: March 31, 2013 to March 31, 2014.

Total Financing: aggregate outstanding balance of loans to Utah Capital.

USBGI: Utah Small Business Growth Initiative.

Utah Capital Portfolio Fund: any fund receiving an investment commitment from Utah Capital.

Utah Company: any company headquartered in or with substantial operations in Utah.